

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-08
EA-07 FRB-03 INR-07 IO-13 NEA-10 NSAE-00 USIA-06
OPIC-03 SP-02 TRSE-00 CIEP-01 LAB-04 SIL-01 AGRE-00
OMB-01 XMB-02 STR-04 DODE-00 /091 W
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R 112012Z FEB 77
FM USMISSION OECD PARIS
TO SECSTATE WASH DC 5315
INFO USMISSION NATO
ALL OECD CAPITALS 0692

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PASS EXIMBANK AND TREASURY

E.O. 11652: N/A
TAGS: ETRD, EFIN, EEW
SUBJECT: EAST-WEST TRADE FINANCING; FEB. 10 EXPERTS
MEETING OF THE OECD EXPORT CREDITS GROUP (ECG)

1. SUMMARY: EXPERTS AGREED TO IMPROVE INFORMATION ON
E/W FINANCIAL FLOWS BY BEEFING UP THE OECD EXPORT CREDIT
DATA COLLECTION SCHEME, USING THE NORMS OF THE IBRD-DAC
EXPANDED REPORTING SYSTEM (ERS), TO INCLUDE COUNTRIES
NOT ON DAC LIST. ISSUE AS TO WHETHER ALL SUCH COUNTRIES
OR JUST COMECON SHOULD BE ADDED WAS NOT RESOLVED.
SUBMISSIONS WILL
ATTEMPT TO PROVIDE SEPARATE FIGURES FOR SUPPLIER AND
BUYER CREDITS AND SOME HISTORICAL DATA. GROUP ALSO
HAD BRIEF EXCHANGE OF VIEWS ON POTENTIAL FOR BETTER
DATA ON OTHER E/W TRADE FINANCING METHODS DURING WHICH
BIS REP INDICATED SOME IMPROVEMENTS WHICH MIGHT BE
FORTHCOMING IN BIS INFORMATION SYSTEM. IN ADDITIONAL
STEP DELS AGREED TO PROVIDE SECRETARIAT WITH COUNTRY
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MEMORANDA ON QUALITATIVE ASPECTS OF E/W TRADE FINANCING
TO AID IN HAVING A DISCUSSION OF IMPORTANT ISSUES AT
FUTURE MEETINGS OF APPROPRIATE OECD BODIES. EXPERTS'
CONCLUSIONS WILL BE SUBMITTED FOR APPROVAL TO FULL
MEETING OF EXPORT CREDITS GROUP IN APRIL.

2. EXPORT CREDITS: EXPERTS AGREED THAT BEST WAY TO

IMPROVE AVAILABLE INFORMATION ON EXPORT CREDITS TO EAST WAS TO EXPAND COUNTRIES' SUBMISSIONS TO OECD BY USING FORM IDENTICAL TO FORM 3 OF THE IBRD-DAC ERS FOR COUNTRIES NOT ON DAC LIST. WHILE INCLUSION OF ALL SUCH COUNTRIES IN ANY NEW DATA COLLECTION EFFORTS HAD BEEN AGREED AT THE LAST ECG MEETING IN RESPONSE TO FRENCH AND FINNISH CONCERNS ABOUT SINGLING OUT EASTERN EUROPEANS, AT THIS SESSION BELGIAN, DUTCH, AND FRG DELS OBJECTED TO PROVIDING DATA FOR OECD MEMBERS. JAPANESE ALSO RESERVED THEIR POSITION, SAYING THAT THEIR INSTRUCTIONS APPLIED ONLY TO USSR AND E. EUROPEAN COUNTRIES. ISSUE WILL THEREFORE BE REFERRED BACK TO ECG. GROUP AGREED THAT COUNTRIES SHOULD ALSO MAKE EFFORT TO SUPPLY DATA BROKEN DOWN BETWEEN SUPPLIERS AND BUYERS CREDITS IN ORDER TO PROVIDE BASIS FOR EVENTUAL ELIMINATION OF SOME DOUBLE COUNTING BETWEEN ERS, BIS, AND BALANCE OF PAYMENTS STATISTICS, SO THAT A MORE ACCURATE PICTURE OF THE OVERALL FINANCING SITUATION COULD BE OBTAINED. SEVERAL DELS, INCLUDING US, INDICATED THAT THEY WOULD HAVE DIFFICULTY DOING THIS AND WERE SKEPTICAL ABOUT THE VALUE OF IT. US DEL AND BANK FOR INTERNATIONAL SETTLEMENTS (BIS) REP SUGGESTED THAT A MORE APPROPRIATE DISTINCTION WOULD BE BETWEEN NON-BANK AND BANK CREDITS. US DEL ALSO RECORDED CONTINUING US VIEW THAT ERS FORM 3 OVERSTATED FINANCED AMOUNTS THROUGH USE OF CONTRACTUAL OBLIGATIONS AS OPPOSED TO DEBT BASIS FOR REPORTING.

3. US AND MOST OTHER DELS SAID THEY COULD NOT PROVIDE LIMITED OFFICIAL USE

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HISTORICAL DATA IN ERS FORM BUT WOULD SUBMIT STATISTICS, FOR EAST ONLY, ALONG LINES OF THOSE THEY HAD ALREADY PROVIDED NATO OR IBRD FOR AS FAR BACK INTO 1970'S AS POSSIBLE. US DEL PROPOSED THAT THE NEW PROCEDURES SHOULD ALSO BE EXTENDED TO ERS FORMS 1 AND 2 SO AS TO BRING DIRECT GOVERNMENTAL EXPORT AND OTHER CREDITS INTO SYSTEM, BUT FRG AND JAPAN, AMONG OTHERS, WERE UNINSTRUCTED ON THIS QUESTION AND UNWILLING TO DO MORE THAN CONSIDER IT FURTHER BEFORE APRIL ECG MEETING. ON QUESTION OF GETTING BETTER FIGURES ON UNDISBURSED AMOUNTS, GROUP AGREED THERE WAS LITTLE PROSPECT OF IMPROVING DATA SO THAT THIS COULD BE ACHIEVED.

4. OTHER E/W TRADE FINANCING METHODS: GROUP AGREED THAT INFORMATION ON BOND ISSUES WAS AVAILABLE TO SECRETARIAT FROM VARIOUS SOURCES, AND THAT DATA ON NON-GUARANTEED SUPPLIER CREDITS, WHILE VERY HARD TO OBTAIN DIRECTLY, MIGHT BE DERIVED AS A RESIDUAL FROM

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INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-08
EA-07 FRB-03 INR-07 IO-13 NEA-10 NSAE-00 USIA-06
OPIC-03 SP-02 TRSE-00 CIEP-01 LAB-04 SIL-01 AGRE-00
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OTHER STATISTICS IF EFFORTS TO OVERCOME PROBLEMS
CAUSED BY DOUBLE-COUNTING WERE SUCCESSFUL (SEE PARA 2
ABOVE). WITH RESPECT TO BANK AND EURO-CURRENCY LOANS,
CONSENSUS WAS THAT BIS SHOULD BE MAIN SOURCE OF
INFORMATION. BIS REP SAID BANK WAS IN PROCESS OF
IMPROVING DATA IN NUMBER OF WAYS, FOR EXAMPLE, BY
INCLUDING A 3-WAY BREAKDOWN OF MATURITIES, ADDING
REPORTING SOURCES, IMPROVING REPORTING FOR CLAIMS ON
INDIVIDUAL COUNTRIES, AND OBTAINING A FIGURE FOR
UNUTILIZED COMMITMENTS. MAIN REMAINING GAPS, HE NOTED,
WERE FIGURES FOR LENDING BY AUSTRIAN INSTITUTIONS AND
BY FRG TO GDR (EXCLUDED AS INTER-GERMAN TRADE).

5. COUNTRY MEMORANDA: AFTER SHORT-LIVED SKIRMISH
WITH FRENCH DEL, WHO THOUGHT MEMORANDA EXERCISE WENT
BEYOND MANDATE OF GROUP, EXPERTS AGREED TO REQUEST
GOVERNMENTS TO SUBMIT NOTES GIVING QUALITATIVE
INFORMATION ON E/W TRADE FINANCING TO AID IN INTER-
PRETATION OF STATISTICAL DATA BEING COLLECTED.
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MEMORANDA WILL BE DESCRIPTIVE AND FACTUAL RATHER THAN POLICY EVALUATIONS. FOCUS WILL BE ON SPECIAL ARRANGEMENTS AND LAWS REGARDING FINANCING OF TRADE WITH EAST, INCLUDING UMBRELLA CREDIT LINE AGREEMENTS, HIGHLIGHTING WAYS IN WHICH DECISION MECHANISM FOR OFFICIALLY SUPPORTED CREDITS TO EASTERN MARKETS MAY DIFFER FROM THAT FOR OTHER MARKETS. SUBMISSIONS WILL ALSO PROVIDE GOVERNMENTS' VIEWS ON DEVELOPMENTS IN TRADE FINANCING PRACTICES, INCLUDING RELATIONSHIPS BETWEEN OFFICIALLY-SUPPORTED AND PRIVATE SOURCES AND CONSTRAINTS AFFECTING DEMAND FOR AND SUPPLY OF CREDIT. COMPENSATION ARRANGEMENTS ARE TO BE DISCUSSED TO EXTENT GOVERNMENTS BELIEVE THEY RELATE TO FINANCING, RECOGNIZING THAT TRADE AND COMMERCIAL ASPECTS OF SUCH ARRANGEMENTS ARE BEING CONSIDERED BY TRADE COMMITTEE WORKING PARTY.
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Disposition Approved on Date:
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